



State of Wisconsin
2007 - 2008 LEGISLATURE

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2007 SENATE BILL 434

January 30, 2008 - Introduced by Senators SULLIVAN, COWLES, LASSA, VINEHOUT, ROESSLER, HARSDFORF, LEHMAN and OLSEN, cosponsored by Representatives JESKEWITZ, STRACHOTA, FIELDS, HILGENBERG, VAN ROY, BALLWEG, KERKMAN, SMITH, MASON, MUSSER, M. WILLIAMS, HAHN, DAVIS, HRAYCHUCK, MURSAU, SHERIDAN, VOS, OWENS, HINTZ, PETERSEN, SINICKI, KRAMER, MOULTON and GARTHWAITE. Referred to Committee on Economic Development.

1 **AN ACT to repeal** 20.143 (1) (x), 93.47, 234.66, 560.03 (15), 560.038, 560.039,
2 560.10, 560.11 (1) (b), 560.13 (7), 560.137 (1) (a), 560.137 (1) (c), 560.137 (2) (a)
3 (intro.), 560.137 (2) (bm), 560.137 (2) (c), 560.137 (2) (d), 560.137 (2) (e), 560.137
4 (2) (f), 560.14 (3m), 560.155 (2) (b) 3., 560.155 (4), 560.17 (5r), 560.17 (6m) (b),
5 560.205 (3) (c), 560.42 (5), 560.52, 560.55, 560.607 (2), 560.81 (title), 560.81 (1)
6 to (4), 560.82 (5) (a), 560.83 (title), 560.83 (1), 560.83 (5), 560.91, 560.915,
7 560.925 and 560.935; **to renumber** 560.137 (1) (b), 560.137 (2) (a) 1., 560.137
8 (2) (a) 2., 560.137 (3m), 560.138 (5), 560.83 (2), 560.837 (1) (a) and 560.837 (2);
9 **to renumber and amend** 560.07 (3) (b), 560.17 (6m) (a), 560.80 (5), 560.81
10 (intro.), 560.82 (1), 560.82 (5) (b), 560.83 (3), 560.83 (4) (a), 560.83 (4) (b),
11 560.837 (1) (intro.) and 560.837 (1) (b); **to amend** 20.002 (11) (d) 3., 20.115 (4)
12 (c), 20.115 (4) (r), 20.143 (1) (fm), 20.143 (1) (ie), 20.143 (1) (ig), 20.143 (1) (im),
13 20.143 (1) (kg), 20.143 (1) (kj), 25.17 (1) (hm), 93.46 (2) (e), 234.03 (2m), 234.265
14 (2), 234.40 (4), 234.50 (4), 234.60 (2), 234.61 (1), 234.63 (2) (b), 234.65 (1) (b),

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1 560.07 (9), 560.138 (3), 560.14 (3) (c) 8., 560.17 (7) (a), subchapter VII (title) of
2 chapter 560 [precedes 560.80], 560.80 (3m), 560.80 (4), 560.80 (5m), 560.82
3 (title), 560.82 (2) (intro.), 560.82 (3) (intro.), 560.82 (4) (intro.), 560.82 (4) (a)
4 (intro.), 560.82 (4) (a) 2., 560.82 (4) (b), 560.84 (1) (intro.), 560.84 (1) (b) 1.,
5 560.84 (1) (e) 1., 560.84 (1) (f), 560.84 (2) (a) 1., 560.85 (2), 560.85 (3) (a), 560.85
6 (3) (b) and 560.905 (2); and **to create** 13.94 (1) (mm), 23.167, 23.169, 36.09 (1)
7 (am), 36.11 (29r), 38.04 (1m), 38.04 (10m), 41.11 (1g), 41.11 (1r), 84.01 (6m),
8 84.01 (11m), 93.07 (18), 93.07 (20), 234.032, 234.255, 560.001 (1m), 560.01 (2)
9 (ae), 560.01 (2) (am), 560.01 (2) (as), 560.07 (8) (a), 560.07 (8) (b), 560.07 (8) (c),
10 560.138 (2m) (intro.), 560.138 (5) (b), 560.139 (3) (title), 560.155 (5), 560.29 (3),
11 560.80 (5) (a) and (b), 560.80 (5) (c) and 560.82 (1m) (b) and (c) of the statutes;
12 **relating to:** cleanup and consolidation of Department of Commerce economic
13 development programs, establishing a comprehensive annual reporting
14 requirement, requiring the development of programmatic goals and
15 accountability measures for economic development grants and loans, requiring
16 the exercise of rule-making authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

Pursuant to the recommendations of the Legislative Audit Bureau in Report 06-9, “A Review of State Economic Development Programs,” this bill makes a number of changes to the state’s economic development programs.

Definition of an economic development program

Under current law, there is no uniform definition of an economic development program. This bill defines “economic development program” as a program or activity having the primary purpose of encouraging the establishment and growth of business in the state, including the creation and retention of jobs, and that satisfies all of the following:

1. The program receives funding from the state or federal government that is allocated through an appropriation under state law.

2. The program provides financial assistance, tax benefits, or direct services to specific industries, businesses, local governments, or organizations.

SENATE BILL 434***Cleanup and consolidation***

The bill eliminates the following unfunded or inactive economic development programs administered by the Department of Commerce (Commerce): minority nonprofit corporation grants; minority business incubator grants; the industrial building construction loan fund; community-based economic development revolving loan fund grants; low-income rural municipality economic development loans; small business innovative research program grants; and the following technology-based economic development programs: the seed-capital fund, the information exchange clearinghouse, and the manufacturing modernization program.

The bill eliminates the sustainable agriculture grant program administered by the Department of Agriculture, Trade and Consumer Protection (DATCP).

The bill eliminates the beginning farmer program administered by the Wisconsin Housing and Economic Development Authority (WHEDA).

This bill consolidates the following grant and loan programs, administered by Commerce, into one minority business grant and loan program: minority business early planning grants; minority business development grants and loans; minority business development finance and education training grants; and minority business revolving fund grants and loans.

The bill also consolidates the gaming economic development grant and loan program and the gaming economic diversification grant and loan program into one gaming economic development grant and loan program.

Current law authorizes Commerce to award early planning project grants to certain eligible recipients. An "early planning project" is defined under current law as "the preliminary stages of considering and planning the start-up or expansion of a business that will be a minority business." Under current law, eligible recipients include individuals who are minority group members and residents of this state. The bill does not change the definition of "early planning project" or "eligible recipient." The bill transfers to the Minority Business Development Board the authority to award grants and permits the board to award early planning project loans as well as grants.

Changes to reporting requirements

Under current law, Commerce must do all of the following:

1. Submit a biennial report to the legislature on the performance and operations of Commerce in the preceding biennium.
2. Periodically prepare an inventory of existing entrepreneurial assistance programs in Wisconsin.
3. Prepare a report documenting the results of an annual survey of Wisconsin businesses concerning the formation of businesses and obstacles to the formation of businesses in Wisconsin.
4. Prepare employment impact estimates related to industrial development revenue bonding.
5. Submit a report to the State of Wisconsin Investment Board describing the types of investments in businesses in Wisconsin that will have the greatest likelihood of enhancing economic development in Wisconsin.

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6. Submit a report to both the Department of Natural Resources (DNR) and the federal Environmental Protection Agency concerning the compliance of the state small business stationary source technical and environmental compliance assistance program with certain federal laws.

In addition, under current law, Commerce must submit reports to the legislature incorporating the following information concerning economic development programs administered by Commerce: job gains due to funds provided to Forward Wisconsin, Inc.; the effects of the State Main Street Program on business revitalization in commercial areas having historic significance; the effectiveness of the Brownfields Grant Program; the operation and effectiveness of the Business Employees' Skills Training Grant Program; the total amount of tax credits claimed under the Early State Seed Investment Credit and Angel Investment Credit programs; a description of the activities of the Business Development Assistance Center; a description of Commerce's activities and the results of Commerce's activities coordinating entrepreneurial assistance programs and intermediary assistance programs offered by state agencies; Commerce's technology-based economic development activities; and the disposition and repayment of moneys distributed under the seed capital fund.

The economic development reporting requirements under current law are not uniform: some reports are required annually, others biennially or periodically; some reports are due in January, others in March, September, October, and December.

The bill eliminates all but the following separate reports required of Commerce:

1. A biennial report to the legislature on the performance and operations of Commerce in the preceding biennium.
2. A report to the State of Wisconsin Investment Board identifying recommended investments to enhance economic development in the state.
3. A report on the effects of the State Main Street Program.
4. A report regarding the business development promotion activities conducted by Forward Wisconsin, Inc.

The bill requires Commerce to annually submit a comprehensive report assessing economic development programs administered by Commerce to the Joint Legislative Audit Committee and to the appropriate standing committees of the assembly and the senate. The bill also restores a requirement, repealed under 2007 Wisconsin Act 20 (the budget act), that Commerce evaluate certified capital investments made under Subchapter II of Chapter 560, 2005 statutes.

In addition, under the bill, each of the following entities must submit to the legislature a comprehensive annual report detailing its economic development activities within the preceding fiscal year: 1) the University of Wisconsin System; 2) DATCP; 3) DNR; 4) WHEDA; 5) the Department of Tourism; 6) the Technical College System; and 7) the Department of Transportation. The comprehensive reports of all eight entities are due to the legislature by October 1 of each year.

The state entity annual reports must include information about the number of grants and loans made by each entity in each year; the amount of each grant and loan; the name of the recipient of each grant and loan; and the sum total of all grants and loans received by each recipient. The seven enumerated state entities must

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collaborate with Commerce to make the reported information available to the public on the Internet.

Programmatic goals and benchmarks

The bill also requires Commerce and the seven enumerated state entities to establish specific goals for each of the economic development programs administered by each entity; quantifiable benchmarks for the program goals; and methods for evaluating the projected or anticipated results of the program. Commerce and the other seven entities must independently verify the accuracy of information reported by the recipient of an economic development grant or loan.

Commerce and the seven enumerated state entities must promulgate the following rules governing economic development grants and loans:

1. A requirement that the recipient of an economic development grant or loan of at least \$100,000 submit to the administering state entity a verified statement signed by both an independent accountant licensed or certified by the Accounting Examining Board in the Department of Regulation and Licensing and the director or principal officer of the recipient. The rule must also require the recipient of such a grant or loan to make available for inspection the documents supporting the verified statement.

2. Policies and procedures for the administering state entity to recoup economic development grant or loan payments, withhold future grant or loan payments, and impose a fine or penalty upon the recipient of an economic development grant or loan or tax benefits which submits false or misleading information to the administering state entity has failed to comply with the requirements of a contract entered into with the administering state entity and which has failed to provide a satisfactory explanation to the administering state entity for the failure to comply.

Audit by the Legislative Audit Bureau

The bill requires the Legislative Audit Bureau to prepare a financial and program evaluation audit of state economic development programs administered by the eight state entities no later than July 1, 2012.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 1 **SECTION 1.** 13.94 (1) (mm) of the statutes is created to read:
- 2 13.94 (1) (mm) No later than July 1, 2012, prepare a financial and performance
- 3 evaluation audit of the economic development programs administered by the
- 4 department of commerce, the University of Wisconsin System, the department of
- 5 agriculture, trade and consumer protection, the department of natural resources, the

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1 Wisconsin Housing and Economic Development Authority, the department of
2 tourism, the technical college system, and the department of transportation. In this
3 paragraph, economic development program has the meaning given in s. 560.001
4 (1m). The legislative audit bureau shall file a copy of the report of the audit under
5 this paragraph with the distributees specified in par. (b).

6 **SECTION 2.** 20.002 (11) (d) 3. of the statutes is amended to read:

7 20.002 (11) (d) 3. The industrial building construction loan fund under s.
8 560.10, 2005 stats.

9 **SECTION 3.** 20.115 (4) (c) of the statutes is amended to read:

10 20.115 (4) (c) *Agricultural investment aids.* Biennially, the amounts in the
11 schedule for agricultural research and development grants under s. 93.46 (2) and (3)
12 ~~and sustainable agriculture grants under s. 93.47.~~

13 **SECTION 4.** 20.115 (4) (r) of the statutes is amended to read:

14 20.115 (4) (r) *Agricultural investment aids, agrichemical management fund.*
15 Biennially, from the agrichemical management fund, the amounts in the schedule
16 for agricultural research and development grants under s. 93.46 (2) and (3) ~~and~~
17 ~~sustainable agriculture grants under s. 93.47.~~

18 **SECTION 5.** 20.143 (1) (fm) of the statutes is amended to read:

19 20.143 (1) (fm) *Minority business projects; grants and loans.* Biennially, the
20 amounts in the schedule for grants and loans under ss. ~~560.038, 560.039, s.~~ 560.82
21 ~~and 560.837, grants and loans under s. 560.83, the grant under 1993 Wisconsin Act~~
22 110, section 3, and the loans under 1997 Wisconsin Act 9, section 3.

23 **SECTION 6.** 20.143 (1) (ie) of the statutes, as affected by 2007 Wisconsin Act 20,
24 is amended to read:

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1 20.143 (1) (ie) *Wisconsin development fund, repayments*. All moneys received
2 in repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.10, 2005
3 stats., s. 560.147, 2005 stats., s. 560.16, 1995 stats., s. 560.165, 1993 stats., s. 560.275
4 (2), ~~2005 stats.~~, s. 560.62, 2005 stats., s. 560.63, 2005 stats., and s. 560.66, 2005 stats.,
5 subch. V of ch. 560, and 1989 Wisconsin Act 336, section 3015 (1m), 1989 Wisconsin
6 Act 336, section 3015 (2m), 1989 Wisconsin Act 336, section 3015 (3gx), 1997
7 Wisconsin Act 27, section 9110 (7f), 1997 Wisconsin Act 310, section 2 (2d), 1999
8 Wisconsin Act 9, section 9110 (4), and 2007 Wisconsin Act 20, section 9108 (5x), to
9 be used for grants and loans under s. 560.275 (2) and subch. V of ch. 560, for
10 assistance under s. 560.06 (2), for the loan under 1999 Wisconsin Act 9, section 9110
11 (4), for the grant under 2001 Wisconsin Act 16, section 9110 (7g), for the grants under
12 2003 Wisconsin Act 33, section 9109 (1d) and (2q), and for reimbursements under s.
13 560.167.

14 **SECTION 7.** 20.143 (1) (ig) of the statutes is amended to read:

15 20.143 (1) (ig) *Gaming economic development and diversification; repayments*.
16 Biennially, the amounts in the schedule for grants and loans under ~~ss. 560.137 (2)~~
17 ~~and s. 560.138~~. All moneys received in repayment of loans under ~~ss. 560.137 (2), 2005~~
18 ~~stats.~~, and 560.138 shall be credited to this appropriation account.

19 **SECTION 8.** 20.143 (1) (im) of the statutes is amended to read:

20 20.143 (1) (im) *Minority business projects; repayments*. All moneys received in
21 repayment of grants or loans under s. ~~560.83~~ 560.82 (1m) (b) and (c) and loans under
22 1997 Wisconsin Act 9, section 3, to be used for grants and loans under ~~ss. s. 560.82,~~
23 ~~560.83, and 560.837~~, the grant under 2001 Wisconsin Act 16, section 9110 (7g), and
24 the loans under 1997 Wisconsin Act 9, section 3.

25 **SECTION 9.** 20.143 (1) (kg) of the statutes is amended to read:

SENATE BILL 434**SECTION 9**

1 20.143 (1) (kg) *American Indian economic liaison and gaming grants specialist*
2 *and program marketing.* The amounts in the schedule for the American Indian
3 economic liaison program under s. 560.87, other than for grants under s. 560.87 (6),
4 for the salary and fringe benefits of, and related supplies and services for, the gaming
5 grants specialist for the ~~programs~~ program under ~~ss. 560.137 and s. 560.138~~, and for
6 marketing the ~~programs~~ program under ~~ss. 560.137 and s. 560.138~~. From this
7 appropriation, the department may expend in each fiscal year no more than \$100,000
8 for marketing the ~~programs~~ program under ~~ss. 560.137 and s. 560.138~~. All moneys
9 transferred from the appropriation account under s. 20.505 (8) (hm) 6g. shall be
10 credited to this appropriation account. Notwithstanding s. 20.001 (3) (a), the
11 unencumbered balance on June 30 of each year shall revert to the appropriation
12 account under s. 20.505 (8) (hm).

13 **SECTION 10.** 20.143 (1) (kj) of the statutes is amended to read:

14 20.143 (1) (kj) *Gaming economic development and diversification; grants and*
15 *loans.* Biennially, the amounts in the schedule for grants and loans under ~~ss. 560.137~~
16 ~~and s. 560.138~~, for the grants under s. 560.139 (1) (a) ~~and~~, (2), and (3), and for the
17 grants under 2001 Wisconsin Act 16, section 9110 (2k), (11pk), and (11zx). Of the
18 amounts in the schedule, \$500,000 shall be allocated in each fiscal year for the grants
19 under ~~s. 560.137 (3m)~~ 560.139 (3). All moneys transferred from the appropriation
20 account under s. 20.505 (8) (hm) 6j. shall be credited to this appropriation account.
21 Notwithstanding s. 20.001 (3) (b), the unencumbered balance on June 30 of each
22 odd-numbered year shall revert to the appropriation account under s. 20.505 (8)
23 (hm).

24 **SECTION 11.** 20.143 (1) (x) of the statutes is repealed.

25 **SECTION 12.** 23.167 of the statutes is created to read:

SENATE BILL 434**1 23.167 Goals and accountability measures for economic development**

2 programs. (1) In this section, “economic development program” means a program
3 or activity having the primary purpose of encouraging the establishment and growth
4 of business in this state, including the creation and retention of jobs, and that
5 satisfies all of the following:

6 (a) The program receives funding from the state or federal government that is
7 allocated through an appropriation under ch. 20.

8 (b) The program provides financial assistance, tax benefits, or direct services
9 to specific industries, businesses, local governments, or organizations.

10 (2) The department, in consultation with the department of commerce, shall
11 do all of the following for each economic development program administered by the
12 department:

13 (a) Establish clear and measurable goals for the program that are tied to
14 statutory policy objectives.

15 (b) Establish at least one quantifiable benchmark for each program goal
16 described in par. (a).

17 (c) Require that each recipient of a grant or loan under the program submit a
18 report to the department. Each contract with a recipient of a grant or loan under the
19 program shall specify the frequency and format of the report to be submitted to the
20 department and the performance measures to be included in the report.

21 (d) Establish a method for evaluating the projected results of the program with
22 actual outcomes as determined by evaluating the information described in pars. (a)
23 and (b).

24 (e) Annually and independently verify, from a sample of grants and loans, the
25 accuracy of the information required to be reported under par. (c).

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1 (f) Establish by rule a requirement that the recipient of a grant or loan under
2 the program of at least \$100,000 submit to the department a verified statement
3 signed by both an independent certified public accountant licensed or certified under
4 ch. 442 and the director or principal officer of the recipient to attest to the accuracy
5 of the verified statement, and make available for inspection the documents
6 supporting the verified statement. The department shall include the requirement
7 established by rule under this paragraph in the contract entered into by a grant or
8 loan recipient.

9 (g) Establish by rule policies and procedures permitting the department to do
10 all of the following if a recipient of a grant or loan or tax benefits under the program
11 submits false or misleading information to the department or fails to comply with the
12 terms of a contract entered into with the department under the program and fails to
13 provide to the satisfaction of the department an explanation for the noncompliance:

- 14 1. Recoup payments made to the recipient.
- 15 2. Withhold payments to be made to the recipient.
- 16 3. Impose a fine or penalty on the recipient.

17 **SECTION 13.** 23.169 of the statutes is created to read:

18 **23.169 Economic development assistance reporting.** Annually, no later
19 than October 1, the department shall submit to the joint legislative audit committee
20 and to the appropriate standing committees of the legislature under s. 13.172 (3) a
21 comprehensive report assessing economic development programs, as defined in s.
22 23.167 (1), administered by the department. The report shall include all of the
23 information required under s. 560.01 (2) (am). The department shall collaborate
24 with the department of commerce to make readily accessible to the public on an
25 Internet-based system the information required under this section.

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1 **SECTION 14.** 25.17 (1) (hm) of the statutes is amended to read:

2 25.17 (1) (hm) Industrial building construction loan fund (s. 560.10, 2005
3 stats.);

4 **SECTION 15.** 36.09 (1) (am) of the statutes is created to read:

5 36.09 (1) (am) The board, in consultation with the department of commerce,
6 shall do all of the following for each economic development program, as defined in
7 s. 36.11 (29r) (a), administered by the board:

8 1. Establish clear and measurable goals for the program that are tied to
9 statutory policy objectives.

10 2. Establish at least one quantifiable benchmark for each program goal
11 described in subd. 1.

12 3. Require that each recipient of a grant or loan under the program submit a
13 report to the board. Each contract with a recipient of a grant or loan under the
14 program shall specify the frequency and format of the report to be submitted to the
15 board and the performance measures to be included in the report.

16 4. Establish a method for evaluating the projected results of the program with
17 actual outcomes as determined by evaluating the information described in subds. 1.
18 and 2.

19 5. Annually and independently verify, from a sample of grants and loans, the
20 accuracy of the information required to be reported under subd. 3.

21 6. Establish by rule a requirement that the recipient of a grant or loan under
22 the program of at least \$100,000 submit to the board a verified statement signed by
23 both an independent certified public accountant licensed or certified under ch. 442
24 and the director or principal officer of the recipient to attest to the accuracy of the
25 verified statement, and make available for inspection the documents supporting the

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1 verified statement. The board shall include the requirement established by rule
2 under this subdivision in the contract entered into by a grant or loan recipient.

3 7. Establish by rule policies and procedures permitting the board to do all of
4 the following if a recipient of a grant or loan or tax benefits under the program
5 submits false or misleading information to the board or fails to comply with the terms
6 of a contract entered into with the board under the program and fails to provide to
7 the satisfaction of the board an explanation for the noncompliance:

8 a. Recoup payments made to the recipient.

9 b. Withhold payments to be made to the recipient.

10 c. Impose a fine or penalty on the recipient.

11 **SECTION 16.** 36.11 (29r) of the statutes is created to read:

12 36.11 **(29r)** ECONOMIC DEVELOPMENT ASSISTANCE REPORTING. (a) In this
13 subsection, “economic development program” means a program or activity having
14 the primary purpose of encouraging the establishment and growth of business in this
15 state, including the creation and retention of jobs, and that satisfies all of the
16 following:

17 1. The program receives funding from the state or federal government that is
18 allocated through an appropriation under ch. 20.

19 2. The program provides financial assistance, tax benefits, or direct services to
20 specific industries, businesses, local governments, or organizations.

21 (b) Annually, no later than October 1, the board shall submit to the joint
22 legislative audit committee and to the appropriate standing committees of the
23 legislature under s. 13.172 (3) a comprehensive report assessing economic
24 development programs administered by the board. The report shall include all of the
25 information required under s. 560.01 (2) (am). The board shall collaborate with the

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1 department of commerce to make readily accessible to the public on an
2 Internet-based system the information required under this subsection.

3 **SECTION 17.** 38.04 (1m) of the statutes is created to read:

4 **38.04 (1m) GOALS AND ACCOUNTABILITY MEASURES FOR ECONOMIC DEVELOPMENT**
5 **PROGRAMS.** (a) In this subsection, “economic development program” means a program
6 or activity having the primary purpose of encouraging the establishment and growth
7 of business in this state, including the creation and retention of jobs, and that
8 satisfies all of the following:

9 1. The program receives funding from the state or federal government that is
10 allocated through an appropriation under ch. 20.

11 2. The program provides financial assistance, tax benefits, or direct services to
12 specific industries, businesses, local governments, or organizations.

13 (b) The board, in consultation with the department of commerce, shall do all
14 of the following for each economic development program administered by the board:

15 1. Establish clear and measurable goals for the program that are tied to
16 statutory policy objectives.

17 2. Establish at least one quantifiable benchmark for each program goal
18 described in subd. 1.

19 3. Require that each recipient of a grant or loan under the program submit a
20 report to the board. Each contract with a recipient of a grant or loan under the
21 program shall specify the frequency and format of the report to be submitted to the
22 board and the performance measures to be included in the report.

23 4. Establish a method for evaluating the projected results of the program with
24 actual outcomes as determined by evaluating the information described in subds. 1.
25 and 2.

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1 5. Annually and independently verify, from a sample of grants and loans, the
2 accuracy of the information required to be reported under subd. 3.

3 6. Establish by rule a requirement that the recipient of a grant or loan under
4 the program of at least \$100,000 submit to the board a verified statement signed by
5 both an independent certified public accountant licensed or certified under ch. 442
6 and the director or principal officer of the recipient to attest to the accuracy of the
7 verified statement, and make available for inspection the documents supporting the
8 verified statement. The board shall include the requirement established by rule
9 under this subdivision in the contract entered into by a grant or loan recipient.

10 7. Establish by rule policies and procedures permitting the board to do all of
11 the following if a recipient of a grant or loan or tax benefits under the program
12 submits false or misleading information to the board or fails to comply with the terms
13 of a contract entered into with the board under the program and fails to provide to
14 the satisfaction of the board an explanation for the noncompliance:

- 15 a. Recoup payments made to the recipient.
16 b. Withhold payments to be made to the recipient.
17 c. Impose a fine or penalty on the recipient.

18 **SECTION 18.** 38.04 (10m) of the statutes is created to read:

19 **38.04 (10m) ECONOMIC DEVELOPMENT ASSISTANCE REPORTING.** Annually, no later
20 than October 1, the board shall submit to the joint legislative audit committee and
21 to the appropriate standing committees of the legislature under s. 13.172 (3) a
22 comprehensive report assessing economic development programs, as defined in sub.
23 (1m) (a), administered by the board. The report shall include all of the information
24 required under s. 560.01 (2) (am). The board shall collaborate with the department

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1 of commerce to make readily accessible to the public on an Internet-based system
2 the information required under this subsection.

3 **SECTION 19.** 41.11 (1g) of the statutes is created to read:

4 41.11 **(1g)** GOALS AND ACCOUNTABILITY MEASURES FOR ECONOMIC DEVELOPMENT
5 PROGRAMS. (a) In this subsection, “economic development program” means a program
6 or activity having the primary purpose of encouraging the establishment and growth
7 of business in this state, including the creation and retention of jobs, and that
8 satisfies all of the following:

9 1. The program receives funding from the state or federal government that is
10 allocated through an appropriation under ch. 20.

11 2. The program provides financial assistance, tax benefits, or direct services to
12 specific industries, businesses, local governments, or organizations.

13 (b) The department, in consultation with the department of commerce, shall
14 do all of the following for each economic development program administered by the
15 department:

16 1. Establish clear and measurable goals for the program that are tied to
17 statutory policy objectives.

18 2. Establish at least one quantifiable benchmark for each program goal
19 described in subd. 1.

20 3. Require that each recipient of a grant or loan under the program submit a
21 report to the department. Each contract with a recipient of a grant or loan under the
22 program shall specify the frequency and format of the report to be submitted to the
23 department and the performance measures to be included in the report.

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1 4. Establish a method for evaluating the projected results of the program with
2 actual outcomes as determined by evaluating the information described in subds. 1.
3 and 2.

4 5. Annually and independently verify, from a sample of grants and loans, the
5 accuracy of the information required to be reported under subd. 3.

6 6. Establish by rule a requirement that the recipient of a grant or loan under
7 the program of at least \$100,000 submit to the department a verified statement
8 signed by both an independent certified public accountant licensed or certified under
9 ch. 442 and the director or principal officer of the recipient to attest to the accuracy
10 of the verified statement, and make available for inspection the documents
11 supporting the verified statement. The department shall include the requirement
12 established by rule under this subdivision in the contract entered into by a grant or
13 loan recipient.

14 7. Establish by rule policies and procedures permitting the department to do
15 all of the following if a recipient of a grant or loan or tax benefits under the program
16 submits false or misleading information to the department or fails to comply with the
17 terms of a contract entered into with the department under the program and fails to
18 provide to the satisfaction of the department an explanation for the noncompliance:

- 19 a. Recoup payments made to the recipient.
20 b. Withhold payments to be made to the recipient.
21 c. Impose a fine or penalty on the recipient.

22 **SECTION 20.** 41.11 (1r) of the statutes is created to read:

23 41.11 (1r) ECONOMIC DEVELOPMENT ASSISTANCE REPORTING. Annually, no later
24 than October 1, the department shall submit to the joint legislative audit committee
25 and to the appropriate standing committees of the legislature under s. 13.172 (3) a

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1 comprehensive report assessing economic development programs, as defined in sub.
2 (1g) (a), administered by the department. The report shall include all of the
3 information required under s. 560.01 (2) (am). The department shall collaborate with
4 the department of commerce to make readily accessible to the public on an
5 Internet-based system the information required under this subsection.

6 **SECTION 21.** 84.01 (6m) of the statutes is created to read:

7 **84.01 (6m) GOALS AND ACCOUNTABILITY MEASURES FOR ECONOMIC DEVELOPMENT**
8 **PROGRAMS.** (a) In this subsection, “economic development program” means a program
9 or activity having the primary purpose of encouraging the establishment and growth
10 of business in this state, including the creation and retention of jobs, and that
11 satisfies all of the following:

12 1. The program receives funding from the state or federal government that is
13 allocated through an appropriation under ch. 20.

14 2. The program provides financial assistance, tax benefits, or direct services to
15 specific industries, businesses, local governments, or organizations.

16 (b) The department, in consultation with the department of commerce, shall
17 do all of the following for each economic development program administered by the
18 department:

19 1. Establish clear and measurable goals for the program that are tied to
20 statutory policy objectives.

21 2. Establish at least one quantifiable benchmark for each program goal
22 described in subd. 1.

23 3. Require that each recipient of a grant or loan under the program submit a
24 report to the department. Each contract with a recipient of a grant or loan under the

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1 program shall specify the frequency and format of the report to be submitted to the
2 department and the performance measures to be included in the report.

3 4. Establish a method for evaluating the projected results of the program with
4 actual outcomes as determined by evaluating the information described in subds. 1
5 and 2.

6 5. Annually and independently verify, from a sample of grants and loans, the
7 accuracy of the information required to be reported under subd. 3.

8 6. Establish by rule a requirement that the recipient of a grant or loan under
9 the program of at least \$100,000 submit to the department a verified statement
10 signed by both an independent certified public accountant licensed or certified under
11 ch. 442 and the director or principal officer of the recipient to attest to the accuracy
12 of the verified statement, and make available for inspection the documents
13 supporting the verified statement. The department shall include the requirement
14 established by rule under this subdivision in the contract entered into by a grant or
15 loan recipient.

16 7. Establish by rule policies and procedures permitting the department to do
17 all of the following if a recipient of a grant or loan or tax benefits under the program
18 submits false or misleading information to the department or fails to comply with the
19 terms of a contract entered into with the department under the program and fails to
20 provide to the satisfaction of the department an explanation for the noncompliance:

- 21 a. Recoup payments made to the recipient.
- 22 b. Withhold payments to be made to the recipient.
- 23 c. Impose a fine or penalty on the recipient.

24 **SECTION 22.** 84.01 (11m) of the statutes is created to read:

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1 84.01 **(11m)** ECONOMIC DEVELOPMENT ASSISTANCE REPORTING. Annually, no later
2 than October 1, the department shall submit to the joint legislative audit committee
3 and to the appropriate standing committees of the legislature under s. 13.172 (3) a
4 comprehensive report assessing economic development programs, as defined in sub.
5 (6m) (a), administered by the department. The report shall include all of the
6 information required under s. 560.01 (2) (am). The department shall collaborate
7 with the department of commerce to make readily accessible to the public on an
8 Internet-based system the information required under this subsection.

9 **SECTION 23.** 93.07 (18) of the statutes is created to read:

10 93.07 **(18)** GOALS AND ACCOUNTABILITY MEASURES FOR ECONOMIC DEVELOPMENT
11 PROGRAMS. (a) In this subsection, “economic development program” means a program
12 or activity having the primary purpose of encouraging the establishment and growth
13 of business in this state, including the creation and retention of jobs, and that
14 satisfies all of the following:

15 1. The program receives funding from the state or federal government that is
16 allocated through an appropriation under ch. 20.

17 2. The program provides financial assistance, tax benefits, or direct services to
18 specific industries, businesses, local governments, or organizations.

19 (b) In consultation with the department of commerce, to do all of the following
20 for each economic development program administered by the department of
21 agriculture, trade and consumer protection:

22 1. Establish clear and measurable goals for the program that are tied to
23 statutory policy objectives.

24 2. Establish at least one quantifiable benchmark for each program goal
25 described in subd. 1.

SENATE BILL 434**SECTION 23**

1 3. Require that each recipient of a grant or loan under the program submit a
2 report to the department. Each contract with a recipient of a grant or loan under the
3 program shall specify the frequency and format of the report to be submitted to the
4 department and the performance measures to be included in the report.

5 4. Establish a method for evaluating the projected results of the program with
6 actual outcomes as determined by evaluating the information described in subds. 1.
7 and 2.

8 5. Annually and independently verify, from a sample of grants and loans, the
9 accuracy of the information required to be reported under subd. 3.

10 6. Establish by rule a requirement that the recipient of a grant or loan under
11 the program of at least \$100,000 submit to the department a verified statement
12 signed by both an independent certified public accountant licensed or certified under
13 ch. 442 and the director or principal officer of the recipient to attest to the accuracy
14 of the verified statement, and make available for inspection the documents
15 supporting the verified statement. The department shall include the requirement
16 established by rule under this subdivision in the contract entered into by a grant or
17 loan recipient.

18 7. Establish by rule policies and procedures permitting the department to do
19 all of the following if a recipient of a grant or loan or tax benefits under the program
20 submits false or misleading information to the department or fails to comply with the
21 terms of a contract entered into with the department under the program and fails to
22 provide to the satisfaction of the department an explanation for the noncompliance:

- 23 a. Recoup payments made to the recipient.
- 24 b. Withhold payments to be made to the recipient.
- 25 c. Impose a fine or penalty on the recipient.

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1 **SECTION 24.** 93.07 (20) of the statutes is created to read:

2 **93.07 (20) ECONOMIC DEVELOPMENT ASSISTANCE REPORTING.** Annually, no later
3 than October 1, to submit to the joint legislative audit committee and to the
4 appropriate standing committees of the legislature under s. 13.172 (3) a
5 comprehensive report assessing economic development programs, as defined in sub.
6 (18) (a), administered by the department. The report shall include all of the
7 information required under s. 560.01 (2) (am). The department shall collaborate
8 with the department of commerce to make readily accessible to the public on an
9 Internet-based system the information required under this subsection.

10 **SECTION 25.** 93.46 (2) (e) of the statutes is amended to read:

11 **93.46 (2) (e)** The department may not make a grant under this subsection or
12 ~~s. 93.47~~ that exceeds 75 percent of project costs.

13 **SECTION 26.** 93.47 of the statutes is repealed.

14 **SECTION 27.** 234.03 (2m) of the statutes is amended to read:

15 **234.03 (2m)** To issue notes and bonds in accordance with ss. 234.08, 234.40,
16 234.50, 234.60, 234.61, 234.626, 234.63, and 234.65, ~~and~~ 234.66.

17 **SECTION 28.** 234.032 of the statutes is created to read:

18 **234.032 Goals and accountability measures for economic development**
19 **programs. (1)** In this section, “economic development program” means a program
20 or activity having the primary purpose of encouraging the establishment and growth
21 of business in this state, including the creation and retention of jobs, and that
22 satisfies all of the following:

23 (a) The program receives funding from the state or federal government that is
24 allocated through an appropriation under ch. 20.

SENATE BILL 434**SECTION 28**

1 (b) The program provides financial assistance, tax benefits, or direct services
2 to specific industries, businesses, local governments, or organizations.

3 **(2)** The authority, in consultation with the department of commerce, shall do
4 all of the following for each economic development program administered by the
5 authority:

6 (a) Establish clear and measurable goals for the program that are tied to
7 statutory policy objectives.

8 (b) Establish at least one quantifiable benchmark for each program goal
9 described in par. (a).

10 (c) Require that each recipient of a grant or loan under the program submit a
11 report to the authority. Each contract with a recipient of a grant or loan under the
12 program shall specify the frequency and format of the report to be submitted to the
13 authority and the performance measures to be included in the report.

14 (d) Establish a method for evaluating the projected results of the program with
15 actual outcomes as determined by evaluating the information described in pars. (a)
16 and (b).

17 (e) Annually and independently verify, from a sample of grants and loans, the
18 accuracy of the information required to be reported under par. (c).

19 (f) Establish by rule a requirement that the recipient of a grant or loan under
20 the program of at least \$100,000 submit to the authority a verified statement signed
21 by both an independent certified public accountant licensed or certified under ch. 442
22 and the director or principal officer of the recipient to attest to the accuracy of the
23 verified statement, and make available for inspection the documents supporting the
24 verified statement. The authority shall include the requirement established by rule
25 under this paragraph in the contract entered into by a grant or loan recipient.

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1 (g) Establish by rule policies and procedures permitting the authority to do all
2 of the following if a recipient of a grant or loan or tax benefits under the program
3 submits false or misleading information to the board or fails to comply with the terms
4 of a contract entered into with the authority under the program and fails to provide
5 to the satisfaction of the authority an explanation for the noncompliance:

- 6 1. Recoup payments made to the recipient.
- 7 2. Withhold payments to be made to the recipient.
- 8 3. Impose a fine or penalty on the recipient.

9 **SECTION 29.** 234.255 of the statutes is created to read:

10 **234.255 Economic development assistance reporting.** Annually, no later
11 than October 1, the authority shall submit to the joint legislative audit committee
12 and to the appropriate standing committees of the legislature under s. 13.172 (3) a
13 comprehensive report assessing economic development programs, as defined in s.
14 234.032 (1), administered by the authority. The report shall include all of the
15 information required under s. 560.01 (2) (am). The authority shall collaborate with
16 the department of commerce to make readily accessible to the public on an
17 Internet-based system the information required under this section.

18 **SECTION 30.** 234.265 (2) of the statutes is amended to read:

19 234.265 (2) Records or portions of records consisting of personal or financial
20 information provided by a person seeking a grant or loan under s. 234.04, 234.08,
21 234.49, 234.59, 234.61, 234.63, 234.65, 234.67, 234.83, 234.84, 234.90, 234.905,
22 234.907, or 234.91, seeking a loan under ss. 234.621 to 234.626, seeking financial
23 assistance under s. 234.66, 2005 stats., seeking investment of funds under s. 234.03
24 (18m), or in which the authority has invested funds under s. 234.03 (18m), unless the
25 person consents to disclosure of the information.

SENATE BILL 434**SECTION 31**

1 **SECTION 31.** 234.40 (4) of the statutes is amended to read:

2 234.40 (4) The limitations established in ss. 234.18, 234.50, 234.60, 234.61,
3 234.63, and 234.65, ~~and 234.66~~ are not applicable to bonds issued under the
4 authority of this section. The authority may not have outstanding at any one time
5 bonds for veterans housing loans in an aggregate principal amount exceeding
6 \$61,945,000, excluding bonds being issued to refund outstanding bonds.

7 **SECTION 32.** 234.50 (4) of the statutes is amended to read:

8 234.50 (4) The limitations established in ss. 234.18, 234.40, 234.60, 234.61,
9 234.63, and 234.65, ~~and 234.66~~ are not applicable to bonds issued under the
10 authority of this section. The authority may not have outstanding at any one time
11 bonds for housing rehabilitation loans in an aggregate principal amount exceeding
12 \$100,000,000, excluding bonds being issued to refund outstanding bonds. The
13 authority shall consult with and coordinate the issuance of bonds with the building
14 commission prior to the issuance of bonds.

15 **SECTION 33.** 234.60 (2) of the statutes is amended to read:

16 234.60 (2) The limitations in ss. 234.18, 234.40, 234.50, 234.61, 234.63, and
17 234.65, ~~and 234.66~~ do not apply to bonds or notes issued under this section.

18 **SECTION 34.** 234.61 (1) of the statutes is amended to read:

19 234.61 (1) Upon the authorization of the department of health and family
20 services, the authority may issue bonds or notes and make loans for the financing of
21 housing projects which are residential facilities as defined in s. 46.28 (1) (d) and the
22 development costs of those housing projects, if the department of health and family
23 services has approved the residential facilities for financing under s. 46.28 (2). The
24 limitations in ss. 234.18, 234.40, 234.50, 234.60, 234.63, and 234.65, ~~and 234.66~~ do

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1 not apply to bonds or notes issued under this section. The definition of “nonprofit
2 corporation” in s. 234.01 (9) does not apply to this section.

3 **SECTION 35.** 234.63 (2) (b) of the statutes is amended to read:

4 234.63 (2) (b) The limits in ss. 234.18 (~~1~~), 234.40, 234.50, 234.60, 234.61, and
5 234.65, ~~and 234.66~~ do not apply to bonds issued under par. (a).

6 **SECTION 36.** 234.65 (1) (b) of the statutes is amended to read:

7 234.65 (1) (b) The limits in ss. 234.18, 234.40, 234.50, 234.60, and 234.61, ~~and~~
8 ~~234.66~~ do not apply to bonds or notes issued under this section.

9 **SECTION 37.** 234.66 of the statutes is repealed.

10 **SECTION 38.** 560.001 (1m) of the statutes is created to read:

11 560.001 (1m) “Economic development program” means a program or activity
12 having the primary purpose of encouraging the establishment and growth of
13 business in this state, including the creation and retention of jobs, and that satisfies
14 all of the following:

15 (a) The program receives funding from the state or federal government that is
16 allocated through an appropriation under ch. 20.

17 (b) The program provides financial assistance, tax benefits, or direct services
18 to specific industries, businesses, local governments, or organizations.

19 **SECTION 39.** 560.01 (2) (ae) of the statutes is created to read:

20 560.01 (2) (ae) *Goals and accountability measures for economic development*
21 *programs.* The department shall do all of the following for each economic
22 development program administered by the department:

23 1. Establish clear and measurable goals for the program that are tied to
24 statutory policy objectives.

SENATE BILL 434**SECTION 39**

1 2. Establish at least one quantifiable benchmark for each program goal
2 described in subd. 1.

3 3. Require that each recipient of a grant or loan under the program submit a
4 report to the department. Each contract with a recipient of a grant or loan under the
5 program shall specify the frequency and format of the report to be submitted to the
6 department and the performance measures to be included in the report.

7 4. Establish a method for evaluating the projected results of the program with
8 actual outcomes as determined by evaluating the information described in subds. 1.
9 and 2.

10 5. Annually and independently verify, from a sample of grants and loans, the
11 accuracy of the information required to be reported under subd. 3.

12 6. Establish by rule a requirement that the recipient of a grant or loan under
13 the program of at least \$100,000 submit to the department a verified statement
14 signed by both an independent certified public accountant licensed or certified under
15 ch. 442 and the director or principal officer of the recipient to attest to the accuracy
16 of the verified statement, and make available for inspection the documents
17 supporting the verified statement. The department shall include the requirement
18 established by rule under this subdivision in the contract entered into by a grant or
19 loan recipient.

20 7. Establish by rule policies and procedures permitting the department to do
21 all of the following if a recipient of a grant or loan or tax benefits under the program
22 submits false or misleading information to the department or fails to comply with the
23 terms of a contract entered into with the department under the program and fails to
24 provide to the satisfaction of the department an explanation for the noncompliance:

25 a. Recoup payments made to the recipient.

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1 b. Withhold payments to be made to the recipient.

2 c. Impose a fine or penalty on the recipient.

3 **SECTION 40.** 560.01 (2) (am) of the statutes is created to read:

4 560.01 (2) (am) *Economic development assistance reporting.* Annually, no later
5 than October 1, the department shall submit to the joint legislative audit committee
6 and to the appropriate standing committees of the legislature under s. 13.172 (3) a
7 comprehensive report assessing economic development programs administered by
8 the department. The department shall make readily accessible to the public on an
9 Internet-based system the information required under this paragraph. The report
10 shall include all of the following information:

11 1. A description of each program.

12 2. Quantifiable performance measures directly related to the purpose of the
13 program including, when applicable, all of the following information:

14 a. An accounting of the location, by municipality, of each job created or retained
15 in the state in the previous fiscal year as a result of the program.

16 b. An accounting of the industry classification, by municipality, of each job
17 created or retained in the state in the previous fiscal year as a result of the program.

18 3. A comparison of expected and actual program outcomes.

19 4. The number of grants made under the program in the previous fiscal year.

20 5. The number of loans made under the program in the previous fiscal year.

21 6. The amount of each grant and loan made under the program in the previous
22 fiscal year.

23 7. The recipient of each grant or loan made under the program in the previous
24 fiscal year.

SENATE BILL 434**SECTION 40**

1 8. The sum total of all grants and loans awarded to and received by each
2 recipient under the program in the previous fiscal year.

3 9. Any recommended changes to the program.

4 **SECTION 41.** 560.01 (2) (as) of the statutes is created to read:

5 560.01 (2) (as) *Coordination of economic development program goals and*
6 *accountability measures; annual reporting requirements.* 1. The department of
7 commerce shall coordinate the development of programmatic goals and
8 accountability measures as required under ss. 23.167, 36.09 (1) (am), 38.04 (1m),
9 41.11 (1g), 84.01 (6m), 93.07 (18), and 234.032 to ensure that the goals and measures
10 are adequate, compatible, and effective.

11 2. The department of commerce shall collaborate with the department of
12 natural resources, the Board of Regents of the University of Wisconsin System, the
13 technical college system board, the department of tourism, the department of
14 transportation, the department of agriculture, trade, and consumer protection, and
15 the Wisconsin housing and economic development authority to facilitate the
16 reporting required under ss. 23.169, 36.11 (29r), 38.04 (10m), 41.11 (1r), 84.01 (11m),
17 93.07 (20), and 234.255.

18 **SECTION 42.** 560.03 (15) of the statutes is repealed.

19 **SECTION 43.** 560.038 of the statutes is repealed.

20 **SECTION 44.** 560.039 of the statutes is repealed.

21 **SECTION 45.** 560.07 (3) (b) of the statutes is renumbered 560.07 (8) (intro.) and
22 amended to read:

23 560.07 (8) (intro.) Contract with Forward Wisconsin, Inc., if the secretary
24 determines it appropriate, to pay Forward Wisconsin, Inc., an amount not to exceed
25 the amount appropriated under s. 20.143 (1) (bm), to establish and implement a

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1 nationwide business development promotion campaign to attract persons interested
2 in locating new enterprises in this state, and to encourage the retention and
3 expansion of businesses and jobs in this state. Funds may be expended to carry out
4 the contract only as provided in s. 16.501. The department shall establish all of the
5 following for the nationwide business development promotion campaign:

6 **SECTION 46.** 560.07 (8) (a) of the statutes is created to read:

7 560.07 (8) (a) Clear and measurable goals tied to statutory policy objectives.

8 **SECTION 47.** 560.07 (8) (b) of the statutes is created to read:

9 560.07 (8) (b) At least one quantifiable performance measure for each goal
10 described in par. (a).

11 **SECTION 48.** 560.07 (8) (c) of the statutes is created to read:

12 560.07 (8) (c) A method for evaluating the projected results with actual
13 outcomes as determined by evaluating the information described in pars. (a) and (b).

14 **SECTION 49.** 560.07 (9) of the statutes is amended to read:

15 560.07 (9) ~~On or before July 1, 1985, and every July 1 thereafter, submit to the~~
16 ~~chief clerk of each house of the legislature, for distribution to the appropriate~~
17 ~~standing committees under s. 13.172 (3), a~~ Include in the report stating the net jobs
18 gain due to required under s. 560.01 (2) (am) an assessment of the nationwide
19 business development promotion activities conducted by Forward Wisconsin, Inc.,
20 with the funds provided to Forward Wisconsin, Inc., under s. 20.143 (1) (bm). The
21 assessment shall address the goals and performance measures established pursuant
22 to sub. (3) (b).

23 **SECTION 50.** 560.10 of the statutes is repealed.

24 **SECTION 51.** 560.11 (1) (b) of the statutes is repealed.

25 **SECTION 52.** 560.13 (7) of the statutes is repealed.

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1 **SECTION 53.** 560.137 (1) (a) of the statutes is repealed.

2 **SECTION 54.** 560.137 (1) (b) of the statutes is renumbered 560.138 (1) (at).

3 **SECTION 55.** 560.137 (1) (c) of the statutes is repealed.

4 **SECTION 56.** 560.137 (2) (a) (intro.) of the statutes is repealed.

5 **SECTION 57.** 560.137 (2) (a) 1. of the statutes is renumbered 560.138 (2m) (a).

6 **SECTION 58.** 560.137 (2) (a) 2. of the statutes is renumbered 560.138 (2m) (b).

7 **SECTION 59.** 560.137 (2) (bm) of the statutes is repealed.

8 **SECTION 60.** 560.137 (2) (c) of the statutes is repealed.

9 **SECTION 61.** 560.137 (2) (d) of the statutes is repealed.

10 **SECTION 62.** 560.137 (2) (e) of the statutes is repealed.

11 **SECTION 63.** 560.137 (2) (f) of the statutes is repealed.

12 **SECTION 64.** 560.137 (3m) of the statutes is renumbered 560.139 (3).

13 **SECTION 65.** 560.138 (2m) (intro.) of the statutes is created to read:

14 560.138 (2m) (intro.) Subject to subs. (3) and (4), from the appropriations under
15 s. 20.143 (1) (ig) and (kj), the department may do all of the following for the purpose
16 of improving the profitability of a qualified business that has been negatively
17 impacted by the existence of a casino:

18 **SECTION 66.** 560.138 (3) of the statutes is amended to read:

19 560.138 (3) As a condition of approval of a grant or loan under this section, the
20 department shall require that a qualified business provide matching funds for at
21 least 25% of the cost of a project. The department may waive the requirement under
22 this subsection if the department determines that the qualified business is subject
23 to extreme financial hardship.

24 **SECTION 67.** 560.138 (5) of the statutes is renumbered 560.138 (5) (a).

25 **SECTION 68.** 560.138 (5) (b) of the statutes is created to read:

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1 560.138 (5) (b) The department may forgive all or any part of a loan made under
2 this section.

3 **SECTION 69.** 560.139 (3) (title) of the statutes is created to read:

4 560.139 (3) (title) GRANTS AND LOANS FOR ONEIDA SMALL BUSINESSES.

5 **SECTION 70.** 560.14 (3) (c) 8. of the statutes is amended to read:

6 560.14 (3) (c) 8. Whether the business incubator or technology-based incubator
7 is or will be located in an area that has been designated as a development zone under
8 s. 560.71, a development opportunity zone under s. 560.795 or an enterprise
9 development zone under s. 560.797.

10 **SECTION 71.** 560.14 (3m) of the statutes is repealed.

11 **SECTION 72.** 560.155 (2) (b) 3. of the statutes is repealed.

12 **SECTION 73.** 560.155 (4) of the statutes is repealed.

13 **SECTION 74.** 560.155 (5) of the statutes is created to read:

14 560.155 (5) In deciding whether to award a grant under this section, the
15 department may not consider any factor or characteristic of the business other than
16 the criteria established under subs. (1) and (2).

17 **SECTION 75.** 560.17 (5r) of the statutes is repealed.

18 **SECTION 76.** 560.17 (6m) (a) of the statutes is renumbered 560.17 (6m) and
19 amended to read:

20 560.17 (6m) ~~Except as provided in par. (b), in order to~~ To receive a grant or loan
21 under this section a person or business shall contribute cash, from a source other
22 than the state, in an amount that equals at least 25% of the total cost of the project.

23 **SECTION 77.** 560.17 (6m) (b) of the statutes is repealed.

24 **SECTION 78.** 560.17 (7) (a) of the statutes is amended to read:

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SUBCHAPTER VII

MINORITY BUSINESS EARLY PLANNING AND DEVELOPMENT PROJECTS

GRANTS AND LOANS

SECTION 86. 560.80 (3m) of the statutes is amended to read:

560.80 (3m) "Education and training project" means a business education and training program for minority group members and minority businesses that have received loans for working capital from an eligible recipient under s. ~~560.837 (1) (b)~~ 560.82 (1m) (e).

SECTION 87. 560.80 (4) of the statutes is amended to read:

560.80 (4) "Eligible development project costs" means costs that, in accordance with sound business and financial practices, are appropriately incurred in connection with a development project, but does not include entertainment expenses or expenses incurred more than 6 months before the board approves a grant or loan under s. ~~560.83~~ 560.82 (1m) (b).

SECTION 88. 560.80 (5) of the statutes is renumbered 560.80 (5) (intro.) and amended to read:

560.80 (5) (intro.) "Eligible recipient" means ~~a person who is eligible to receive a grant under s. 560.82 (5) (a) or 560.837 or a grant or loan under s. 560.83 (5) (a) or (b).~~ any of the following:

SECTION 89. 560.80 (5) (a) and (b) of the statutes are created to read:

560.80 (5) (a) An individual who is a minority group member and a resident of this state.

(b) A minority business.

SECTION 90. 560.80 (5) (c) of the statutes is created to read:

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1 560.80 (5) (c) A person who is eligible to receive a grant under s. 560.82 (1m)
2 (d) or (e).

3 **SECTION 91.** 560.80 (5m) of the statutes is amended to read:

4 560.80 (5m) “Finance project” means financial assistance to a minority group
5 member or a minority business described in s. ~~560.837~~ 560.82 (1m) (d) and (e).

6 **SECTION 92.** 560.81 (title) of the statutes is repealed.

7 **SECTION 93.** 560.81 (intro.) of the statutes is renumbered 560.82 (1g) and
8 amended to read:

9 560.82 (1g) The department shall make a grant or loan to an eligible recipient
10 or local development corporation under this ~~subchapter~~ section if any of the following
11 apply: the board awards a grant or loan to the eligible recipient or local development
12 corporation under sub. (1m).

13 **SECTION 94.** 560.81 (1) to (4) of the statutes are repealed.

14 **SECTION 95.** 560.82 (title) of the statutes is amended to read:

15 **560.82 (title) Minority business early planning grants and loans.**

16 **SECTION 96.** 560.82 (1) of the statutes is renumbered 560.82 (1m) (intro.) and
17 amended to read:

18 560.82 (1m) (intro.) ~~Subject to s. 560.84, the department~~ The board may award
19 a grant or loan under this section to ~~an~~ any of the following:

20 (a) Subject to s. 560.84, an eligible recipient, as defined in s. 560.80 (5) (a), to
21 fund an early planning project.

22 **SECTION 97.** 560.82 (1m) (b) and (c) of the statutes are created to read:

23 560.82 (1m) (b) Subject to s. 560.84, an eligible recipient or local development
24 corporation that submits application materials in a form specified by the department
25 by rule to fund eligible development project costs.

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1 (c) A local development corporation to make grants or loans under sub. (2g) (a)
2 1. or to fund a revolving fund program under sub. (2g) (a) 2.

3 **SECTION 98.** 560.82 (2) (intro.) of the statutes is amended to read:

4 560.82 (2) (intro.) The ~~department~~ board may not award a grant or loan under
5 sub. (1) (1m) (a) unless the eligible recipient, as defined in s. 560.80 (5) (a), submits
6 an application, in a form required by the department, that contains or describes all
7 of the following:

8 **SECTION 99.** 560.82 (3) (intro.) of the statutes is amended to read:

9 560.82 (3) (intro.) An eligible recipient, as defined in s. 560.80 (5) (a), who
10 receives a grant or loan under sub. (1) (1m) (a) or s. 560.835 (6), 2001 stats., may only
11 use the proceeds of the grant for the following purposes:

12 **SECTION 100.** 560.82 (4) (intro.) of the statutes is amended to read:

13 560.82 (4) (intro.) ~~In any fiscal biennium, the department~~ The board may not
14 do any of the following:

15 **SECTION 101.** 560.82 (4) (a) (intro.) of the statutes is amended to read:

16 560.82 (4) (a) (intro.) Award in a fiscal biennium, for grants or loans under sub.
17 (1) (1m) (a), more than 25% of the total of all of the following:

18 **SECTION 102.** 560.82 (4) (a) 2. of the statutes is amended to read:

19 560.82 (4) (a) 2. The lesser of the funds received in a fiscal biennium in
20 repayment of grants or loans under s. 560.83, 2005 stats., and this section or the
21 funds appropriated for the fiscal biennium under s. 20.143 (1) (im).

22 **SECTION 103.** 560.82 (4) (b) of the statutes is amended to read:

23 560.82 (4) (b) Award, in a fiscal biennium to any one eligible recipient, as
24 defined in s. 560.80 (5) (a), or for any one early planning project, grants or loans under
25 sub. (1) (1m) (a) that total more than \$15,000.

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1 **SECTION 104.** 560.82 (5) (a) of the statutes is repealed.

2 **SECTION 105.** 560.82 (5) (b) of the statutes is renumbered 560.82 (5) and
3 amended to read:

4 560.82 (5) If the ~~department~~ board awards a grant or loan under sub. (1) (1m)
5 (a), the department may contract directly with and pay grant or loan proceeds
6 directly to any person providing technical or management assistance to the grant or
7 loan recipient.

8 **SECTION 106.** 560.83 (title) of the statutes is repealed.

9 **SECTION 107.** 560.83 (1) of the statutes is repealed.

10 **SECTION 108.** 560.83 (2) of the statutes is renumbered 560.82 (2g).

11 **SECTION 109.** 560.83 (3) of the statutes is renumbered 560.82 (2g) (c) and
12 amended to read:

13 560.82 (2g) (c) ~~The board may not award a grant or loan under sub. (1) or (2)~~
14 ~~unless the eligible recipient or the local development corporation submits an~~
15 ~~application, or other materials, in a form specified by the department by rule.~~

16 **SECTION 110.** 560.83 (4) (a) of the statutes is renumbered 560.82 (4) (c) and
17 amended to read:

18 560.82 (4) (c) ~~In Award in any fiscal biennium, the board may not award,~~ to any
19 one eligible recipient or local development corporation or for any one development
20 project, grants or loans under sub. (1) (1m) (b) that total more than \$100,000 in a
21 fiscal biennium.

22 **SECTION 111.** 560.83 (4) (b) of the statutes is renumbered 560.82 (4) (d) and
23 amended to read:

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1 560.82 (4) (d) ~~In Award, in~~ any fiscal year, ~~the board may not award~~ to any one
2 local development corporation, grants or loans under sub. ~~(2) (1m) (c)~~ that total more
3 than \$200,000.

4 **SECTION 112.** 560.83 (5) of the statutes is repealed.

5 **SECTION 113.** 560.837 (1) (intro.) of the statutes is renumbered 560.82 (1m) (d)
6 (intro.) and amended to read:

7 560.82 (1m) (d) (intro.) Subject to s. 560.84, ~~the board may award a grant under~~
8 ~~this subsection to~~ a nonprofit organization or private financial institution, as defined
9 in s. 234.01 (5k), whether or not for profit, to fund a finance project if all of the
10 following apply:

11 **SECTION 114.** 560.837 (1) (a) of the statutes is renumbered 560.82 (1m) (d) 1.

12 **SECTION 115.** 560.837 (1) (b) of the statutes is renumbered 560.82 (1m) (d) 2.
13 and amended to read:

14 560.82 (1m) (d) 2. The loans for working capital under ~~par. (a) 1. subd. 1. a.~~ do
15 not exceed \$5,000.

16 **SECTION 116.** 560.837 (2) of the statutes is renumbered 560.82 (1m) (e).

17 **SECTION 117.** 560.84 (1) (intro.) of the statutes is amended to read:

18 560.84 (1) (intro.) ~~The department or~~ board may not award a grant or loan for
19 a project under this subchapter unless, after considering the application or other
20 material submitted by the eligible recipient or local development corporation, the
21 ~~department or~~ board determines all of the following:

22 **SECTION 118.** 560.84 (1) (b) 1. of the statutes is amended to read:

23 560.84 (1) (b) 1. If an early planning project ~~under s. 560.82~~, that the project
24 will increase employment in this state.

25 **SECTION 119.** 560.84 (1) (e) 1. of the statutes is amended to read:

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1 560.84 (1) (e) 1. For grants funding early planning projects under s. 560.82 (1m)
2 (a), not less than 25% of the cost of the project. Up to 50% of the contribution under
3 this subdivision may be in the form of the in-kind services of a qualified 3rd party
4 or qualified 3rd parties. The department shall determine what services may be used
5 as in-kind contributions and whether a 3rd party is qualified, for purposes of this
6 subdivision.

7 **SECTION 120.** 560.84 (1) (f) of the statutes is amended to read:

8 560.84 (1) (f) That the project meets all applicable criteria set forth in s. 560.82,
9 ~~560.83, or 560.837, whichever is appropriate.~~

10 **SECTION 121.** 560.84 (2) (a) 1. of the statutes is amended to read:

11 560.84 (2) (a) 1. If an early planning project ~~under s. 560.82~~, the extent to which
12 the project will increase employment in this state.

13 **SECTION 122.** 560.85 (2) of the statutes is amended to read:

14 560.85 (2) The board shall develop a policy governing the repayment of grants
15 and loans made under s. ~~560.83~~ 560.82 (1m) (b) and (c). The board or department
16 shall deposit moneys received in repayment of grants and loans under s. ~~560.83~~
17 560.82 (1m) (b) and (c) in the appropriation under s. 20.143 (1) (im).

18 **SECTION 123.** 560.85 (3) (a) of the statutes is amended to read:

19 560.85 (3) (a) Develop procedures to evaluate applications and monitor project
20 performance for grants awarded for early planning projects under s. 560.82 (1m) (a)
21 or s. 560.835 (6), 2001 stats.

22 **SECTION 124.** 560.85 (3) (b) of the statutes is amended to read:

23 560.85 (3) (b) Develop procedures, with the approval of the board, to evaluate
24 applications, monitor project performance, and audit grants and loans awarded for
25 development projects under s. ~~560.83~~ 560.82 (1m) (b), projects under s. 560.835, 2001

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1 stats., and finance projects and education and training projects under s. 560.837
2 560.82 (1m) (d) and (e).

3 **SECTION 125.** 560.905 (2) of the statutes is amended to read:

4 560.905 (2) The standing committees of the senate and assembly with
5 jurisdiction over science and technology shall advise the department concerning the
6 administration of this subchapter. The department shall consider the advice of the
7 committees in carrying out the functions under this subchapter. ~~Annually, the~~
8 ~~department shall submit a report on the department's activities to the chief clerk of~~
9 ~~each house of the legislature for distribution under s. 13.172 (3) to the standing~~
10 ~~committees with jurisdiction over science and technology.~~

11 **SECTION 126.** 560.91 of the statutes is repealed.

12 **SECTION 127.** 560.915 of the statutes is repealed.

13 **SECTION 128.** 560.925 of the statutes is repealed.

14 **SECTION 129.** 560.935 of the statutes is repealed.

15 **SECTION 130. Fiscal changes.**

16 (1) The unencumbered balance in the appropriation account under section
17 20.143 (1) (x), 2005 stats., is transferred to the appropriation account under section
18 20.143 (1) (c) of the statutes.

19 (END)